

Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 AGRE-00 COME-00 EB-08 LAB-04 STR-04
TRSE-00 FRB-03 OMB-01 SY-05 SIL-01 MCT-01 /096 W
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R 171100Z AUG 77

FM AMEMBASSY KINSHASA
TO SECSTATE WASHDC 5214
INFO AMEMBASSY BRUSSELS
AMCONSUL LUBUMBASHI
AMCONSUL BUKAVU

C O N F I D E N T I A L KINSHASA 7788

E.O. 11652: GDS

TAGS: ELAB CG

SUBJ: UPDATE ON LABOR UNREST IN KINSHASA

REF: KINSHASA 7404

1. SUMMARY. THE STRIKE WAVE REPORTED REFTEL HAS NOW BEGUN TO SEEP INTO THE PUBLIC SECTOR. STRIKING WORKERS IN THE PRIVATE SECTOR THUS FAR HAVE WON WAGE INCREASES AVERAGING TWENTY PERCENT. IN ACQUIESCING TO WORKER DEMANDS, THE GOZ HAS REVEALED A LACK OF COORDINATION AMONG GOVT SPOKESMEN AND AN UNDERSTANDABLE RELUCTANCE TO RISK A VIOLENT SHOW-DOWN WITH THE WORKERS. END SUMMARY.

2. THE TEXTILE SECTOR, WHERE THE STRIKES BEGAN TWO WEEKS AGO, IS NOW RELATIVELY QUIET. UTEXCO WORKERS, THE FIRST TO STRIKE, WON INCREASES IN THEIR PRODUCTION INCENTIVES AND TRANSPORT ALLOWANCES AND A FIFTY PERCENT DISCOUNT AT THE COMPANY STORE. WORKERS RETURNED TO WORK IN RESPONSE TO MANAGEMENT'S PROMISE OF GOOD FAITH NEGOTIATIONS OF WAGE AND HOUSING ALLOWANCE DEMANDS UPON THE RETURN FROM EUROPE OF THE FIRM'S

DIRECTOR GENERAL, BUT THREATEN TO RENEW THE STRIKE IF THEIR DEMANDS
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ARE NOT MET. OTHER TEXTILE FIRMS HAVE GRANTED INCREASES IN WAGE AND ALLOWANCES OF APPRX 20 PERCENT. IN THE BEVERAGE SECTORE, UNIBRA WORKERS HAVE ALSO WON A 20 PERCENT WAGE INCREASE. TO HEAD OFF AN ANTICIPATED STRIKE, BRALIMA MANAGEMENT INTENDS TO MAKE A SIMILAR OFFER TO ITS EMPLOYEES.

3. TWO OTHER FIRMS AMONG THOSE INITIALLY STRUCK ARE THE BATA SHOE MANUFACTURER AND BRITISH AMERICAN TOBACCO (BAT). BATA WORKERS REPORTEDLY HAVE WON A 40 PERCENT WAGE INCREASE AFTER ROUGHING UP THE FIRM'S PERSONNEL MANAGER AND THREATENING FURTHER VIOLENCE. IN THE CASE OF BAT, THE WORKERS DEMANDED NOT A WAGE INCREASE AS SUCH BUT RATHER THE RIGHT FOR EVERY WORKER TO PURCHASE A CASE OF CIGARETTES EACH MONTH AT THE EX-FACTORY PRICES FOR RESALE ON THE PARALLEL MARKET. THEIR MONTHLY PROFIT AT PRESENT FROM THIS TRANSACTION WOULD BE BETWEEN 250 AND 300 ZAIRE. FOLLOWING THE INTERCESSION OF URBAN COMMISSIONER SAKOMBI (SEE BELOW), BAT WORKERS AGREED TO RETURN TO WORK IN EXCHANGE FOR THE ONE-TIME SALE TO EACH WORKER OF CASE OF CIGARETTES.

4. IN THE PUBLIC SECTOR, AIR ZAIRE HAS REPORTEDLY EXPERIENCED LABOR DISTURBANCES, WHILE THE EMPLOYEES OF THE OFFICE ZAIROIS DU CONTROLE (OZAC) HAVE BEEN ON STRIKE SINCE AUG 10. WE HAVE HEARD RUMORS OF IMPENDING STRIKES AT THE OFFICE NATIONALE DU CAFE AND THE SOCIETE NATIONALE DE L'ELECTRICITE.

5. COMMENT: THE GOZ'S ATTEMPT TO MEDIATE THE STRIKES HAS BEEN HAMPERED BY LACK OF COORDINATION AMONG ITS REPRESENTATIVES. IN THE CASE OF THE STRIKE AT BAT, THE DEPT OF NATIONAL ECONOMY WAS ALLEGEDLY INSTRUCTED BY MOBUTU TO TELL BAT MANAGEMENT TO TURN DOWN THE WORKERS' DEMAND FOR CIGARETTE SALES AND TO OFFER INSTEAD A SHORT TERM LOAN, WHICH WORKERS REJECTED. WHEN THE BAT DIRECTOR RETURNED TO THE DEPT

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OF NATIONAL ECONOMY FOR FURTHER DISCUSSIONS, URBAN COMMISSIONER SAKOMBI VISITED THE FACTORY AND PROMISED THE WORKERS THE ONE-TIME SALE EVENTUALLY ACCEPTED BY BAT, THUS EFFECTIVELY UNDERMINING THE INITIAL POSITION REPORTEDLY TAKEN BY MOBUTU. THE GOZ'S MOST FUNDAMENTAL PROBLEM IN CONFRONTING LABOR UNREST, HOWEVER, REMAINS ITS INABILITY TO HOLD THE LINE ON WAGE INCREASES WITHOUT CALLING OUT THE TROOPS. THUS FAR, MOBUTU APPARENTLY HAS VIEWED WAGE CONCESSIONS AS LESS COSTLY THAN FORCE. SIMILAR WAGE INCREASES IN THE PUBLIC SECTOR, HOWEVER, COULD UNDERMINE ZAIRE'S COMPLIANCE WITH THE IMF STABILIZATION PLAN, WHICH IS BASED IN PART ON A FREEZE IN THE WAGES OF GOVT EMPLOYEES. END COMMENT. CUTLER

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Message Attributes

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Disposition Approved on Date:
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